

Ambassador Richard W. Fisher
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“From the Labyrinth to the Summit”

Good afternoon. As a former member of the Dialogue and the Executive Committee, it feels good to be back among friends. I am especially thankful to you, especially, Peter (Hakim) and to Alejandro (Foxley) and Peter Bell, for inviting me to speak today, knowing as they do, that the clarity of my thoughts and expressions may be questionable given that I have just stepped off the plane from negotiating with both the Mexican government the Japanese in Paris! But, those who know me, like the two Peters and Alejandro, know of my ardor for perfecting U.S.-Latin American relations. I simply could not say no to your kind invitation to speak to you today.

I want to say a special word about Abe Lowenthal, who I see sitting over there. Abe has been my life-long friend and mentor. When I was a senior at Harvard, he somehow found me and arranged for me to find a job working for the Financera Dominicana in Santo Domingo. From that moment onward, he has constantly been at my side, guiding me through my experiences in Latin America, helping me to develop the Institute of the Americas in San Diego, keeping me briefed on developments in the hemisphere while I ran my businesses in Texas, involving me in the Council on Foreign Relations and the Inter-American Dialogue and the Pacific Council, never imposing his own philosophy upon me, but always demanding of me that I develop my own and that I grow beyond just being a money maker. My wife refers to Abe as my rabbi; I consider him my brother. I have been looking for an occasion to say this publicly and this is a perfect opportunity. Thank you, Abe, for being Abe Lowenthal. Like so many, I owe you much. (Which is a long way of saying that if you don't like what I am about to say, don't blame me, blame Abe.)

On April 19th, Octavio Paz, the Nobel laureate author of The Labyrinth of Solitude, died in Mexico City. On that very day, the 34 democratically elected leaders of the Western Hemisphere signed the Declaration of Santiago at the Summit of the Americas. One need only reflect on the different worlds described by these two documents to appreciate how dramatically the Americas has changed in recent years.

- In 1950, Octavio Paz wrote that Mexico's people---and, by extension, all Latin Americans: "...have been expelled from the center of the world and are condemned to search for it through jungles and deserts or in the underground mazes of the labyrinth".
- At the Santiago Summit, the Leaders committed to a very different journey, involving collective efforts to promote and strengthen democracy and the respect for human rights; to eradicate poverty and discrimination; and to promote the overall development of the countries of the Hemisphere.
- In his opening statement to the Summit, President Clinton described that common

endeavor as “the new partnership for a new century... to grow in freedom and opportunity and cooperation...[so that] the Americas can be a model for all the world in the 21st century. That is, after all, the spirit of the Summit of the Americas and the promise of Santiago.”

In more narrow economic terms, one sees equally striking contrasts between the labyrinth and the summit:

- In 1950, Octavio Paz described U.S. economic policies toward Latin America as bound to result in economic dependence and political interference in Latin America’s domestic affairs.
- The Leaders at Santiago, on the other hand, described the overall course in the Americas as “one of faster economic growth, lower inflation, expanded opportunities, and confidence in facing the global marketplace”. This cause is to be pursued as a genuine partnership, not at the behest of the sole proprietorship of the United States.

These comments are not meant as criticism of Octavio Paz’s view of the human condition in Latin America or as criticism of his economics (which, incidentally, changed over time, to the point that he strongly endorsed the NAFTA). Rather, these contrasts highlight the remarkable change in our hemisphere, especially since the Miami Summit of the Americas. One could develop this theme in a number of the areas. But I will concentrate on the area of my new responsibilities, namely, economic integration and free trade, and specifically, the Free Trade Area of the Americas.

- But let me first note a further irony of the Summit, namely, that the unanimous decision of the 24 Leaders to begin negotiations for a hemispheric free trade zone occurred in Santiago, the very city that was the cradle of “dependencia” economic theory, which viewed the international trading system as condemning the “periphery” -- Latin America and other developing countries -- to enduring poverty and exploitation.
- Leaders at the Summit, in contrast, spoke of “economic integration, investment, and free trade [as] ... Key factors for raising standards of living, improving the working conditions of the people of the America, and better protecting the environment.”

VISIONS OF HEMISPHERIC INTEGRATION

Even if one puts aside the analytical framework of Raul Prebisch and his “dependencia” economic theory, negotiations on a hemispheric free trade zone would have been inconceivable ten years ago -- for political, economic, and social reasons.

That is not because our predecessors lacked the imagination for such a project. In fact, visions of hemispheric integration date to the early days of Latin America’s liberation from Spain.

The first American leader to propose a hemispheric conference was Simon Bolivar. Benito Juarez proposed a free trade agreement between the United States and Mexico in the 1850s. And in 1889, U.S. Secretary of State James Blaine actually convened a hemispheric conference in Washington, the goal of which was hemispheric free trade.

But despite the inspirational leadership of Bolivar, the integrity and determination of Juarez, and the diplomatic skills of Blaine, none of these visions of integration came to fruition. Few even made a serious start.

THE NEW CONSENSUS

Why do we now feel that our partnership with Latin American nations can succeed when the efforts of our predecessor failed?

The conclusion of the Free Trade Area of the Americas (the FTAA, or ALCA in its Spanish acronym) is within our grasp for two reasons. First, the dramatic changes in the hemisphere's politics in the aftermath of the Cold War and economics in the age of global markets. And second, an unprecedented convergence of views that has emerged throughout the hemisphere.

Throughout the hemisphere, three principles now form, the foundation of modern government:

- **Democracy.** Thirty-four of the thirty-five nations in the hemisphere now believe that democracy, backed by freedom of the press, fair and regular elections, and the rule of law, is the most moral form of government; and also the form of government most likely to remove violence from politics and promote economic development.
- **Markets.** The same thirty-four nations believe that the free market is the most effective means of developing economies and reducing poverty.
- **Civil society.** And the same thirty-four countries believe in the essential role of civil society -- citizen associations, business organizations, labor organizations, academics, environmental groups, local governments, non-governmental organizations or NGOs -- in forming the policies of modern democracies.

This convergence began fifteen years ago. In the United States, it has been expressed by the Caribbean Basin Initiative, the U.S.-Canada Free Trade Agreement, the NAFTA, and the Enterprise for the Americas. And as the Cold War ended, the convergence of views became a consensus, culminating four years ago at the Miami Summit of the Americas.

- The vision of Miami was one of:

- A permanent association of democracies;
- A hemispheric free trade zone;
- A commitment to work with one another on education, environmental protection, and scientific and technological advance; and
- The inclusion of civil society in the decisions of nations.

THE FREE TRADE AREA OF THE AMERICAS

Two weeks ago in Santiago, the Leaders initiated the detailed, practical negotiations that will make the Miami vision of a Free Trade Area of the Americas a reality. Let me just highlight the most significant elements of the negotiating plan for the Free Trade Area of the Americas developed by the Trade Ministers at the San Jose Trade Ministerial and then approved by the Leaders at Santiago.

- The negotiations will start this summer under the Chairmanship of Canada (until the end of 1999). The 34-nation Trade Negotiations Committee (TNC) will hold its initial meeting in Buenos Aires before the end of June, when I and my Vice Ministerial colleagues will begin the work plan agreed to at the San Jose Ministerial meeting of March 18, 1998.
- The chairmanship responsibilities for the negotiations are set for the full period of negotiations, culminating in the last two years with the co-chairmanship of Brazil and the United States.
 - This co-chairmanship arrangement for the conclusion of the negotiations commits the two biggest economies in the hemisphere to the success of the FTAA negotiations. It provides an opportunity for two nations which are sometimes at odds with each other on trade policy to work together towards a common cause.
- Nine Negotiating Groups have been established to cover all of the areas of trade identified at the Miami Summit as constituting a comprehensive free trade agreement. They cover everything from market access (both industrial and agricultural goods) to services, intellectual property, product standards, to competition policy, government procurement and investment.
 - Each Negotiating Group will hold its initial session in Miami (the site of the negotiations and administrative secretariat for the first three years) by the end of this September, initiating work based on the operational roadmap charted by the Vice Ministers in June.
 - One of the most important characteristics of the negotiating organization we have established is that the entire region will share responsibilities. For example, Colombia will initially chair the Market Access group. Nicaragua will chair Services, with Barbados as the Vice Chair. Agriculture will be chaired by

Argentina. The United States will chair Government Procurement, while Costa Rica chairs Investment. This expresses the full vesting of the 34 countries in the success of the FTAA.

- The FTAA will provide a single set of rules throughout the hemisphere. In other words, the FTAA must not simply add an additional set of rules and procedures for business to cope with. The FTAA must make it simpler and more predictable to do business in our hemisphere.
 - We recognize that some countries may pursue integration with their neighbors in areas that go beyond the FTAA (e.g., monetary union), but there should be no doubt that the FTAA disciplines will become the single set of rules in the areas covered by the final agreement.
- The Leaders made clear that they expect the negotiations to make “concrete progress by the end of the century”, and to “agree on specific business facilitation to be adopted before the end of the century.” These measures could include agreements on transparency and due process in government procurement; customs procedures for express shipments; or mutual recognition agreements in the licensed professions.
 - The Trade Ministers will meet in Canada before the end of 1999 to evaluate the progress and to give further guidance to the negotiations.

BROADER SIGNIFICANCE OF THE FTAA

Now let me put these talks in some broader context. The FTAA is a trade agreement, which each participating nation, including our own, sees as an economic benefit. But it is also a means to bolster the broader process of integration, development and growth, not only in economics but also in politics and daily life throughout the Americas.

- Democracy. The hallmark of the Summit process in political terms is to strengthen the historic commitment to democracy in the hemisphere. The FTAA will create more diversified and dynamic economies throughout the region, which contributes to a more supportive political environment for democracy. This is especially clear in Central America, whose nations until very recently were wracked by devastating civil wars, but which now are taking impressive strides in establishing democratic governments and market-based economies.
- Education. The Leaders’ emphasis on eliminating illiteracy, expanding educational opportunities and improving the quality of education throughout the hemisphere will create new economic opportunities for people and empower them to participate in their countries’ politics. The FTAA will expand the realm in which newly educated people can secure their economic well-being and that of their families.

- Human Rights and the Quality of Life. The Summit devoted much of its work to the welfare and rights of children, women, and workers and to protection of the environment. The Trade Ministers at San Jose established a committee of government officials from all the countries of the FTAA to listen to all of civil society---including labor, business, environment, consumers, academics and others--and present their advice to the Trade Ministers. This “civil society” committee is unprecedented in an international trade negotiations.
- Science, Technology and the Future. Finally, the Summit, looking to the future, sought to incorporate new technologies in its initiatives, particularly in education, but also in the FTAA. For example, a principal objective of the FTAA is to improve on existing WTO disciplines wherever possible and appropriate. And we recognized explicitly that our negotiations must take into account new technologies in international commerce. Thus, the Trade Ministers also agreed to set up a joint private sector-public sector committee of experts (initially chaired by Barbados) to provide guidance on the implications of electronic commerce for the FTAA. Once again, this is an innovation in international trade negotiations. And a fitting one, when one considers that the fastest growth of Internet connections in the world is occurring in Latin America.

CONCLUSIONS

Altogether, then, the agenda of the Summit of the Americas goes beyond trade. Faithfully pursued, it will increase prosperity. Support democracy. Reduce poverty. Improve the quality of life. And it will lead us toward the genuine, permanent partnership with our sister republics that the wisest leaders have sought for so long.

As the 34 democratic nations of our hemisphere look out on the new millennium, we share a fundamental consensus on the basic principles of modern nations: genuine democracy, open markets, and participatory civil society. In the sphere of trade and economics alone, this offers us an opportunity that many have dreamt about, but none have yet been able to realize.

And in the larger sense, just as the poetic vision of Octavio Paz brightened in the last decades of his life, it offers us a metaphor for transformed relations with Latin America. Once a disparate group of “ciegos” wandering through the labyrinth, the nations of the hemisphere have now “seen the light” and embarked on a directed, uplifting journey to the summit of prosperity, guided by the bright prospect of peace, democracy and vibrant, open markets.